**Statement of Bill Gillis**
**Public Forum on Media Ownership**
**Seattle Washington**
**March 7, 2003**

My name is Bill Gillis. I serve as Director of the Center to Bridge the Digital Divide at Washington State University.[1] Between 1994 and 2000 I was a member of the Washington State Public Utility Commission. I have substantial experience in regulatory public policy matters impacting the availability and use of telecommunications and information systems in rural locations. For example, between 1997 and 2000, I chaired, on behalf of the Federal State Joint Board on Universal Service, a Rural Task Force providing recommendations on appropriate reforms of the federal universal service methodology supporting national universal service goals as required by the Telecommunications Act of 1996.

While my interest in accepting the invitation to appear as a part of today's panel is supported by my specific professional responsibilities and expertise, I am motivated also by my own roots in rural America.

The vast majority of the nation's population reside in large urban centers. However, we remain a nation of small towns. Of the approximately 220 incorporated cities in the state of Washington, 180 have a population smaller than 5,000. Demographic and economic indicators document many of these small cities and towns, once vital centers of commerce and activity, now struggle to sustain the most basic of community functions including viable income opportunities, local education, health care, civic participation, public facilities and governance.

I myself am a product of one of these smaller eastern Washington communities. My hometown is one of several in the state of Washington that are presently considering "dis-incorporating". In effect, throwing in the towel and closing the town's doors.

I speak to you today from personal experience of the importance of local media to the smaller rural communities. As a boy growing up, the local weekly was the central institution within the community. The area weekly was our source of information of most all public aspects of community life including High School sports scores, updates on who we must visit in the hospital, wheat prices, notices of farm management workshops, what stores are having a sale, employment opportunities, jury duty, public meetings, elections and much more. When I left the state to go to graduate school at the University of Wisconsin, I maintained a subscription to the hometown weekly as it captured in a few pages the essence of community life affecting friends and family illustrating the importance of the local paper as a community institution.

---

[1] The comments provided in this testimony are mine alone and do not necessarily represent the views of Washington State University or any financial sponsor of the WSU Center to Bridge the Digital Divide.

Spokane media also played a major role in connecting the families of my small town to current events. As a boy we had a choice between a morning and evening delivered daily newspaper from Spokane. We would gather around the radio on snowy days, listening to Spokane radio stations to learn whether school buses in my home town would be running late or running at all. The 30 minute daily farm report broadcast each weekday from Spokane radio was a critical source of farm management information and provided updates on important community activities throughout eastern Washington.

Local media represent a component of what social scientists refer to as "social capital", the unique institutional glue that creates a bond of support and trust among members of a community. For example, if a neighbor provides information about a possible job, that represents social capital. If a government official can be trusted to do what he or she says, too is a form of social capital. Media is lynchpin of social capital in small rural communities. The newspaper clippings that fill our scrap books recognizing achievements ranging from winning the state B-8 football championship to a picture standing with our state Representative in Olympia are a snapshot of what creates a sense of community a belief in our common connection.

Sadly, the availability of local media supporting my hometown community has eroded over the years. The area weekly remains a mainstay within the community. However, it like many small town papers faces serious economic challenges. The Spokane media as a source of community support for my hometown has largely lost relevance. Three major national media companies own the vast majority of Spokane radio stations. Local content from Spokane radio stations is typically restricted from 5:00 a.m. to 9:00 a.m. with the remainder of program delivered via national downlink. The 30 minute farm show of my boyhood is now allotted 3 minutes of air time. Residents of my hometown can not even receive the remaining Spokane newspaper on the day that it is printed as the route has been discontinued. Despite repeated pleas to local Congresspersons and the paper's publisher, they will read about who is elected Governor or when their sons and daughters may go to war, a day after the paper is published as it can only be delivered by indirect mail.

The loss of local media content options in my hometown is repeated in small towns across the state of Washington and throughout rural America. It is likely not a coincidence that social and economic indicators document a rise in rural crime, drug use, lower volunteerism, failing public bond levies in small town America. As key community institutions such as relevant media falter, so do the essential bonds that link neighbor to neighbor. This is occurring at the same moment in time when communities need to draw closer together to find new directions as agricultural and natural resource based economies are no longer enough sustain either local families or provide a tax base adequate to support local services. The loss of a primary institution of community building leaves a deep hole that must be filled.

Writing more than a century and one-half ago, political theorist Alexis De Tocqueville pointed to the newspaper as vital to community associations and successful democratic

societies. Newspapers he suggested allow ideas to be broadly projected to community members. In his day "nothing but a newspaper can drop the same thought into thousands of minds". Some will point out the world has changed. Today we have multiple sources of information, even in our small towns. Examples include direct broadcast satellite, cable, radio, home videos, CD ROMS, print media and the Internet. However, it is important we do not confuse diversity of information sources with the availability of relevant local information and in particular characterizing opportunities for community building.

In the context of community building, focusing on the number of new alternative media options available in the digital age misses the point. The Internet, in particular, is touted by some as a universal source of information both global and local. For example, residents of my hometown can indeed read the Spokane daily newspaper on-line the day it is published rather than wait an additional day before it is delivered by mail. Unfortunately only a fraction of the community is currently on-line and among those that are, only expensive dial-up connections to the Internet are available. The Internet itself may be counter to the goal of community building and the formation of social capital. For example, a Stanford University research study concluded that the more time people spend on-line a week, the more they lose contact with their social environment. Other studies suggest the Internet can contribute to community cohesion, but the technology is far from reaching a level of penetration to be considered a substitute for mass media.

The central question and challenge you face in review of current federal media concentration rules is to determine if changes to historical standard are in the public interest. The fact that this and other field hearing are being conducted underscore that this is not a decision to be taken lightly. The implications are far reaching. As Commissioner Copps noted in a recent speech, once restrictions on media concentration rules are lifted, the decision and resulting implications will not be easily reversed.

The public interest decision regarding changes to the media concentration rules is complex and involves consideration of multiple interests including both industry viability and service to the public's needs. The primary purpose of my testimony today is to ask that you consider and give weight to the potential damaging impact of greater media concentration on the social and economic viability of our rural communities. I am not aware of any evidence that supports a proposition that increased media ownership concentration will expand the availability of local media content relevant to rural America. Neither is there evidence, in my view, that an expansion information delivery sources such as the Internet, can replace in the near term the traditional role of print and locally owned broadcast media as a primary instrument of democratic governance and community cohesion. In fact, there is substantial reason to believe that a modification of rules that reduces the number of locally owned print and broadcast operations will in fact further erode an important social institution supporting rural community social and economic vitality.

Some will note providers of print and broadcast media are "businesses" not "public services". Ownership restrictions, it can be argued, impinge on profitable operation and

the ability of media to provide public with new valued services. These arguments are of course not unique among the industries for which the FCC is responsible. On the calendars of the Federal Communication Commission are additional dockets which require a similar assessment of both the legal arguments and public interest merits of abrogating federal jurisdiction with respect to economic regulation of broadband telecommunications infrastructure deployment. I note these parallel decisions in this statement, only to underscore a broader portfolio of decisions before the FCC that taken together not only limit the availability of traditional local media content in rural locations, but also potentially place trust in the private market to provide a remedy through "unfettered" deployment of modern broadband telecommunications technologies.

The telecommunications, radio communications and broadcast industries for which the FCC has jurisdiction are private enterprises, but they are enterprises "vested with the public interest". Advances in technology and economic liberalization of media and telecommunications are a cornerstone of national progress. The Federal Communications Commission faces the complex task of "harmonizing" regulations with new technological and market realities, but to do so without abrogating the public interest.

You of course must look first to the statutes for guidance on what you are allowed to do. Fortunately Congress has provided the Commission with significant discretion to regulate jurisdictional industries in a manner consistent with the public interest. These decisions I know are complex and multi-dimensional. When I was a sitting state Public Utility Commissioner, I often looked to how my decisions would affect small rural communities. This was not a matter of parochialism. Rather for me it is context of principled regulation and my reading of the statutes to ensure the benefits of modern communications touch the broadest segment of our population possible. It is my belief that the strength of our nation emanates from the social cohesiveness of our local communities and neighborhoods and local media play a critical role towards that end. As I noted previously, we are largely a nation of small communities, many of which are presently struggling to secure a future for their sons and daughters. I respectfully suggest, your public interest decision should give substantial weight to the potential detrimental impact on our small rural communities associated with lifting current restrictions on media concentration.

Thank you for this opportunity to comment.